

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 397\*

Short Title: Natural Gas/Rate Adjustment Mechanism. (Public)

Sponsors: Senator Newton (Primary Sponsor).

Referred to: Commerce.

March 25, 2013

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THE UTILITIES COMMISSION TO ADOPT, IMPLEMENT,  
MODIFY, OR ELIMINATE A RATE ADJUSTMENT MECHANISM FOR NATURAL  
GAS LOCAL DISTRIBUTION COMPANY RATES.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 7 of Chapter 62 of the General Statutes is amended by adding  
a new section to read as follows:

**"§ 62-133.7A. Rate adjustment mechanism for natural gas local distribution company  
rates.**

In setting rates for a natural gas local distribution company in a general rate case  
proceeding under G.S. 62-133, the Commission may adopt, implement, modify, or eliminate a  
rate adjustment mechanism to enable the company to recover the prudently incurred capital  
investment and associated costs of complying with federal gas pipeline safety requirements,  
including a return based on the company's then authorized return. The Commission shall adopt,  
implement, modify, or eliminate a rate adjustment mechanism authorized under this section  
only upon a finding by the Commission that the mechanism is in the public interest."

**SECTION 2.** This act is effective when it becomes law.

